realisations by means of the Railway Cess at the credit of the District Board with the accumulated interest thereon at the end of June 1924, was Rs. 3,84,614 and the amount is expected to be Rs. 5,10,000 by the end of June 1926. The District Board have offered to allow the accumulated balance of the Railway Cess Fund at their credit to be utilised towards the construction of the line and provide the balance upto a limit of half the expenditure by raising a debenture loan, the other half of the cost being given as a grant by Government. The Secretary to Government, in the Railway Department who was consulted in the matter states that the total cost of the line inclusive of the rolling stock would be Rs. 22,15,173 and without the rolling stock Rs. 18,69,332 for a metre gauge line. The line is expected to yield a net revenue of about Rs. 20,000 and the annual realisations from the Railway Cess amounts to Rs. 56,000 and both these sums come approximately to about Rs. 75,000. As the District Board have already about Rs. 5 lakhs at their credit, another Rs. 14 lakhs will be required to meet the balance of the cost of the line without the rolling stock.

The Railway Secretary is of opinion that it will be more economical to transfer the working of the line after construction to the Madras and Southern Mahratta Railway, who charge a hire of 5 per cent on the gross receipts of rolling stock so long as they continue to work the Kadur-Bangalore Line, as in that case it would be unnecessary to buy additional rolling stock and in this way the capital cost will be reduced by nearly Rs. 4 lakhs.

There is at present no uniformity as to the conditions on which the District Boards are allowed to take part in the construction of railway lines in the State. The Government of India having recently abolished the system of having separate branch lines constructed by independent local agencies, Government proposed to the District Board that they would construct the Railway as a Government line, on condition that the Board agreed to pay the Government the accumulated surplus of the Railway Cess to meet part of the cost of construction and to continue to levy the cess and make it over to Government to meet the losses in working, for a period of 25 years. The District Board accepted the offer of Government with the proposal that should the railway work at a profit, the net earnings together with the accumulated railway Cess now handed over to Government should be utilised for continuing the line towards Mudgere, Bale-Honnur and Koppa. It is not possible for Government to commit themselves at this stage as to the particular directions in which further extensions of railway lines will be undertaken. Government are however, pleased to direct that the proposal of the District Board may be accepted with the modification that in case the line gives any surplus profit after meeting interest charges on the capital contributed by Government, these may be utilised for further railway development in the District.

The District Board should make suitable arrangements to place the Railway Cess Fund at the credit of the Railway Department as soon as arrangements are made for commencement of construction.

The Railway Agent is requested to submit a complete project with detailed estimate at an early date for the sanction of Government.

B. NAGAPPA,
Secretary to Government,
Local and Legislative Departments.

REVENUE SECRETARIAT.

Report of the Committee for the reduction of assessment on Malnad Gardens.

READ—

The marginally noted *Resolution No. 10, moved at the Dasara Session of the Representative Assembly in October 1924, by Mr. B. Gopalachar, regarding reduction of assessment on bagayet lands in the Malnad.

* That this assembly recommends to the Government of His Highness the Maharaja of Mysore that in view of the large expenditure that will have to be incurred by owners of lands in the Malnad to repair the damages caused by the recent floods and rains in the State, the kandayam payable on bagayet lands in the Malnad be fixed at a maximum of Rs. 10 per acre.

2. Government Order No. R. 7137-42—L. R. 148-24-25, dated 29th May 1925, appointing a Committee to consider the question raised in the above resolution and submit a report thereon to Government.

3. Letter No. C. 3640—24-25, dated the 5th January 1926, from the Revenue Commissioner in Mysore, forwarding a report of the proceedings of the Committee referred in the Government Order read above.

*(Printed in extenso as annexure together with the enclosures.)

ORDER NO. R. 4316-20—L. R. 333-25-2, DATED 26TH FEBRUARY 1926.

In Government Order No. R. 7137-42—L. R. 148-24-25, dated 29th May 1925, a Committee consisting of the Revenue Commissioner, the Superintendent, Revenue Survey and Settlements and the Revenue Secretary to Government was appointed to investigate in detail the yield per acre of Malnad gardens, the present rate of assessment and the relief to be granted in respect of bagayet lands in view of the representation made in the course of the discussion on Resolution No. 10, moved at the Dasara Session of the Representative Assembly in October 1924.

2. The report of the Committee forwarded by the Revenue Commissioner furnishes information on the extent of damages done to gardens in the Malnad Taluks during the years 1923-24 and 1924-25, the remission of assessment sanctioned therefor, the yield per acre of supari garden land in various taluks, the cost of cultivation per acre and the prices of supari for the last five years, etc.

3. The Committee have discussed the subject under reference under two aspects, *viz.*,

(1) Reduction of bagayet assessment to a maximum of Rs. 10 per acre on the ground that large expenditure has to be incurred by garden owners in Malnad to repair the damage caused by floods in 1923 and 1924.

(2) Reduction of assessment on bagayet lands independently of flood damages, on the ground that the existing rates of assessment are high.

4. In regard to the first question, the Committee observe that the damages done by the floods of 1923-24 and 1924-25 were not confined to the Malnad only and even in the Malnad to gardens alone, and that in fact the extent of garden lands affected was comparatively little as noted below—

	Extent damaged in 1923-24		Remission sanctioned in 1923-24			Extent damaged in 1924-25		Remission sanctioned in 1924-25		
	A.	G.	Rs.	a.	p.	A.	G.	Rs.	a.	p.
Tirthahalli	6	18	62	6	0	10	13	107	9	0
Koppa	34	02	18	8	0	25	11	214	12	0
Mudgere	0	8½	0	13	0	1	38	16	5	0
Narasimharajapura	0	5	.....			.....		.....		

And they add that necessary and adequate relief is reported to have been granted in the shape of remissions and grant of Takavi loans to repair the damage due to flood havoc. For these reasons the Committee are of opinion that there is no necessity to treat this temporary misfortune as sufficient cause for reducing the assessment on all garden lands in the Malnad and that any individual case of hardship brought to notice may be sympathetically dealt with, under the standing orders of Government.

5. As regards the second and general question, the Committee consider that the existing rates of assessment on gardens in the Malnad are not at all high, in view of the abolition of halat and supari cess and of the fact that the price of supari has not fallen in recent years but has been maintained at a fairly high level. They report that, even though the rates of assessment are based on calculations of yield per acre as in Madras, it is found that the Malnad garden rates fall well within the limit of half the net income fixed by the Government of India and further do not exceed one-fifth of the gross income and that, as such, there are no grounds for any reduction of assessment at present or for taking up the question of revision before expiry of the full period of Survey guarantee.

6. Government have carefully examined the statistics collected by the Committee and the report submitted by them. Government are not satisfied that the damage caused by the floods to garden lands in the Malnad is so serious or their yield has so much depreciated in recent years as to call for a general revision of assessment as represented in the Resolution. Government agree with the Committee that in the Orders already issued (*vide* margin), adequate relief has been afforded by grant of remission of kandayam and takavi loans in respect of all classes of lands affected by the floods and that no permanent reduction in the existing rates of assessment on Malnad gardens is called for at present.

(1) Government Order No. R. 1020-1228—R. M. 8-24-54, dated 8th August 1924.
(2) Government Order No. R. 3784-90—R. M. 8-24-169, dated 23rd December 1924.

B. SRINIVASA IYENGAR,
Secretary to Government,
Revenue Department.